

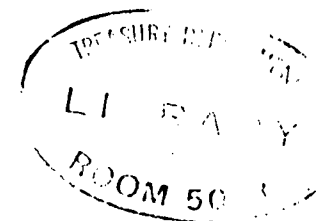
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U.S. Treasury Dept.

Annual Report, 1956.

of the
Secretary of the Treasury
on the
State of the Finances

For the Fiscal Year Ended June 30, 1956



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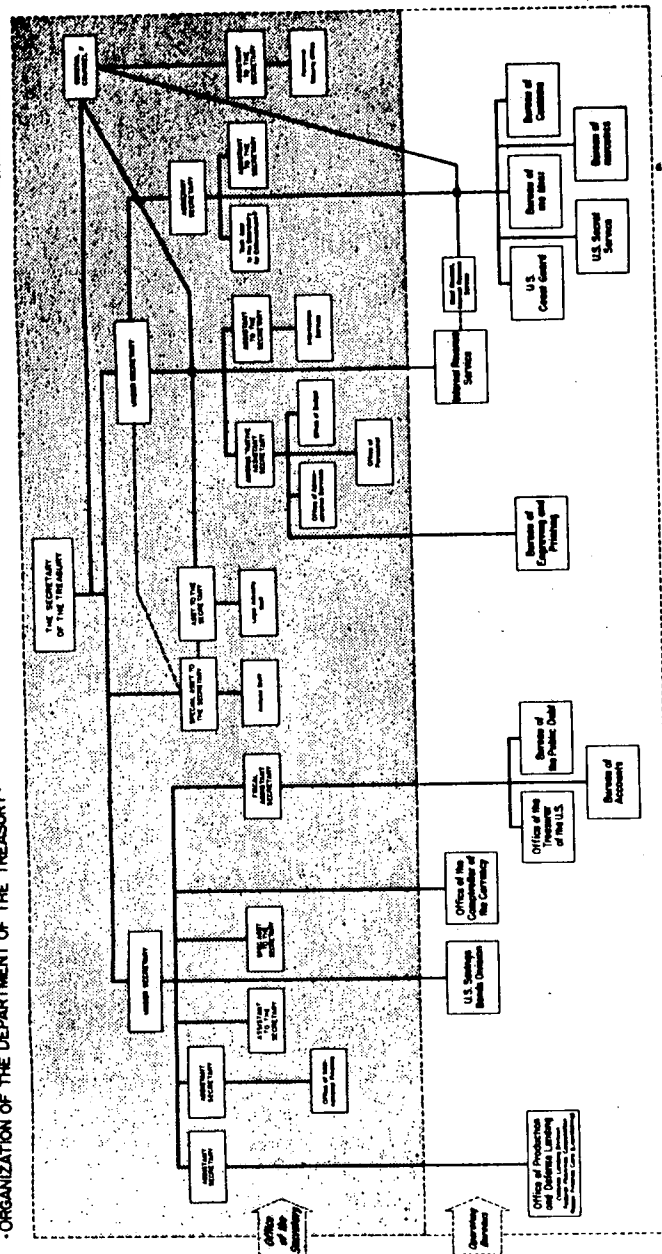


CHART 1.

¹ The General Counsel serves as legal advisor to the Secretary, his associates, and heads of bureaus.
² The Technical Assistant for Enforcement coordinates enforcement activities of the U. S. Secret Service, U. S. Coast Guard, Bureau of Customs, Bureau of Narcotics, and Internal Revenue Service.

TREASURY DEPARTMENT,
Washington, D. C., January 31, 1957.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1956.

A balanced Federal budget—a major goal of the Eisenhower Administration—is now a reality. The Government not only lived within its income in fiscal 1956 but there was better than a \$1½ billion budget surplus for debt reduction. Another balanced budget and further surplus are in prospect for the current fiscal year and again for fiscal 1958. Their attainment will mean three surpluses in a row—for the first time in more than 20 years.

This accomplishment was matched by monetary policies designed and executed to help keep credit expansion within sustainable limits.

Americans are enjoying high peacetime prosperity. We have record high employment, high wages, and high production. It represents true prosperity—for there has been little change in the cost of living during the past four years.

The exceptional vigor of our economy, however, points to the need for continuing self discipline and national restraint. With the economy operating at a very high rate and with shortages of materials and manpower in many areas, we cannot do all the things we would like to do as fast as we would like to do them without running the risk of serious price inflation.

On the fiscal front, we must continue to try to reduce Federal spending and keep the budget in balance. Modest surpluses are appropriately used for debt reduction. Important as further tax reduction is, it should wait until the time when we can look ahead and see a sufficient surplus of Government income over spending to pay for a tax cut fairly spread among all our people. In this way we can best maintain the fiscal integrity of our country and help assure the continued soundness of our currency.

A full report on the Treasury's operations during the 1956 fiscal year follows.

C. M. HUMPHREY,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

TABLE 5.—Trust account and other transactions, monthly for the fiscal year 1956 and totals for 1955 and 1956—Continued
[In thousands of dollars]

Trust accounts, etc., Receipts and expenditures	Fiscal year 1956						
	July 1955	August 1955	September 1955	October 1955	November 1955	December 1955	January 1956
RECEIPTS							
Veterans' life insurance funds—Continued							
National service life insurance fund:							
Interest on investments	6	17	33	60	69	57	65
Premiums and other receipts	32,262	34,921	33,545	33,600	32,068	31,516	38,786
Payments from general fund	259	57,999	2,452	1,439	1,627	2,107	1,505
Other trust accounts:							
Payments from general funds	30	(*)	(*)	1,217	395		60
Miscellaneous trust receipts:							
Legislative Branch	81	64	122	138	570	107	—24
Funds appropriated to the President	14,713	8,917	4,653	3,787	14,065	16,145	2,979
Independent offices	80	79	62	111	231	157	286
General Services Administration	1	2	3	2	2	1	1
Agriculture Department	2,617	3,496	2,641	2,500	2,461	3,100	4,416
Commerce Department	122	360	162	215	321	119	199
Defense Department:							
Military functions	1,587	2,200	560	617	458	1,893	1,664
Civil functions	609	2,156	424	1,136	875	882	636
Health, Education, and Welfare Department	1	1	2	2	14	8	2
Interior Department:							
Indian tribal funds	2,515	10,981	2,776	3,791	10,103	4,914	4,470
Other	610	648	308	155	448	246	337
Labor Department		17	3	3	4		
State Department	1	4	7	3		—51	1,656
Treasury Department	440	485	735	454	590	15,576	—100
District of Columbia:							
Revenues from taxes, etc.	8,538	6,538	19,802	23,833	8,701	7,217	8,814
Payments from general fund (Federal contribution, loans, and grants)	20,389	732	275	1,044	559	438	606
Total trust fund receipts	744,624	1,501,669	721,420	505,151	1,142,101	840,899	371,263
Increment resulting from reduction in the weight of the gold dollar	(*)	4	(*)	1	(*)	(*)	1
Total receipts	744,625	1,501,673	721,420	505,153	1,142,102	840,899	371,265
EXPENDITURES (Except investments)							
Federal employees' retirement funds:							
Civil service retirement fund	36,265	36,662	38,566	37,975	41,656	43,293	42,540
Foreign service retirement fund	199	216	186	189	197	187	253
Federal old-age and survivors insurance trust fund:							
Administrative expenses—Bureau of Old-Age and Survivors Insurance	8,692	6,704	7,535	7,249	10,012	6,962	7,274

Trusts accounts, etc. Receipts and expenditures	Fiscal year 1956					Total fiscal year 1956	Total fiscal year 1955
	February 1956	March 1956	April 1956	May 1956	June 1956		
RECEIPTS							
Veterans' life insurance funds—Continued							
National service life insurance fund:							
Interest on investments	96	257	216	160	159,613	160,670	157,203
Premiums and other receipts	35,869	34,904	35,000	33,317	34,442	410,211	405,432
Payments from general fund	2,187	1,715	2,306	2,131	2,700	78,427	27,819
Other trust accounts:							
Payments from general funds	202	1,101	383	29	68	3,485	186
Miscellaneous trust receipts:							
Legislative Branch	232	69	80	80	105	1,625	1,209
Funds appropriated to the President	4,406	7,744	17,031	4,608	8,376	107,455	134,724
General Services Administration	77	97	58	84	125	1,450	16,252
Agriculture Department	3	2	3	1	4	25	482
Commerce Department	3,845	3,017	2,549	2,485	2,516	35,643	32,670
Defense Department:	222	519	1,068	1,004	444	4,756	3,963
Military functions	1,974	306	561	953	1,628	14,401	1,814
Civil functions	387	8,240	872	1,290	1,041	18,554	15,969
Health, Education, and Welfare Department	1	15	10	12	3	72	74
Interior Department:							
Indian tribal funds	4,450	2,510	4,488	4,208	3,814	59,020	38,827
Other	328	433	232	356	718	5,021	4,134
Labor Department	20	7	53	3	21	133	323
State Department	1	498	60	22	5	2,178	3,446
Treasury Department	648	624	575	544	745	21,317	6,767
District of Columbia:							
Revenues from taxes, etc.	7,239	22,693	25,173	10,116	7,005	154,069	151,188
Payments from general fund (Federal contribution, loans, and grants)	1,314	763	1,739	536	1,182	29,627	27,966
Total trust fund receipts	1,008,903	756,721	871,185	1,604,592	1,616,738	11,685,266	9,536,481
Increment resulting from reduction in the weight of the gold dollar	1	1	1	1	1	11	15
Total receipts	1,009,903	756,721	871,185	1,604,593	1,616,738	11,685,277	9,536,496
EXPENDITURES (Except investments)							
Federal employees' retirement funds:							
Civil service retirement fund:							
Foreign service retirement fund:							
Federal old-age and survivors insurance trust fund:	42,359	45,374	45,191	46,962	46,306	504,247	427,796
Administrative expenses—Bureau of Old-Age and Survivors Insurance	211	188	214	194	195	2,428	2,235
	7,483	7,778	7,198	9,973	6,957	93,707	76,091
Footnotes at end of table.							

Footnotes at end of table.

TABLE 5.—Trust account and other transactions, monthly for the fiscal year 1956 and totals for 1955 and 1956—Continued
(In thousands of dollars)

Trust accounts, etc. Expenditures (except investments)	Fiscal year 1956						
	July 1955	August 1955	September 1955	October 1955	November 1955	December 1955	January 1956
Federal old-age and survivors insurance trust fund—Continued							
Payments to general fund:							
Administrative expenses	2,443	3,543	2,455	2,531	2,531	2,531	2,470
Refunds of taxes				66,000			
Benefit payments	424,102	428,390	427,851	434,162	436,644	437,443	438,481
Other		(*)	1	(*)	(*)	(*)	1
Railroad Retirement Board:							
Railroad retirement account:							
Administrative expenses	632	532	519	718	504	471	537
Benefit payments, etc.	47,433	47,708	47,499	49,391	49,891	49,367	49,795
Payment to Federal old-age and survivors insurance trust fund	7,439						
Unemployment insurance administration fund	481	844	412	689	491	453	627
Unemployment trust fund:							
Railroad unemployment insurance account	5,391	8,814	8,573	8,139	9,074	10,776	12,020
State accounts—withdrawals by States	89,090	90,825	77,739	67,034	67,333	92,712	140,517
Veterans' life insurance funds:							
Government life insurance fund—benefits, refunds, etc.	9,741	5,774	5,427	6,057	5,705	5,773	6,842
National service life insurance fund—benefits, refunds, and dividends	39,964	43,116	44,020	41,741	39,912	37,911	41,063
Other trust funds and accounts:							
District of Columbia	19,202	15,433	11,701	15,910	14,907	8,263	22,142
Federal employees insurance fund (net)	786	-2,428	3,100	-169	-703	-560	-2,681
Other:							
Legislative Branch	65	93	72	72	112	74	78
Funds appropriated to the President	17,261	19,310	13,577	10,511	7,011	9,909	11,665
Independent offices:							
National Capital Housing Authority (net)	-115	232	216	-750	332	206	-50
Other	739	1,363	449	414	508	1,001	770
General Services Administration:							
Trust enterprise funds (net)	2	-11	-3	-2	2	2	-1
Other	15	56	2	19	3	3	3
Housing and Home Finance Agency:							
Federal National Mortgage Association:							
Loans for secondary market operations (net)	-1,670	-6,861	-7,231	-11,229	-14,206	-25,175	-15,003
Other (net)	4,821	6,861	7,231	11,229	14,214	27,224	22,479

Trust accounts, etc. Expenditures (except investments)	Fiscal year 1956					Total fiscal year 1956	Total fiscal year 1955
	February 1956	March 1956	April 1956	May 1956	June 1956		
Federal old-age and survivors insurance trust fund—Continued							
Payments to general fund:							
Administrative expenses	2,471	2,471	2,394	2,467	2,394	30,702	27,091
Refunds of taxes						66,000	51,000
Benefit payments	444,634	457,667	471,736	478,994	480,706	5,360,813	4,333,147
Other	56	1	(*)	2	1	62	132
Railroad Retirement Board:							
Railroad retirement account:							
Administrative expenses	482	487	906	486	526	6,788	6,306
Benefit payments, etc.	49,971	50,801	51,219	51,741	51,070	596,404	569,283
Payment to Federal old-age and survivors insurance trust fund						7,439	9,551
Unemployment insurance administration fund	283	714	545	776	476	6,792	9,373
Unemployment trust fund:							
Railroad unemployment insurance account	10,870	10,993	8,450	6,944	5,639	105,683	205,683
State accounts—withdrawals by States	141,012	151,939	137,762	119,346	111,655	1,286,964	1,759,544
Veterans' life insurance funds:							
Government life insurance fund—benefits, refunds, etc.	7,915	7,278	8,478	8,253	10,051	87,294	84,318
National service life insurance fund—benefits, refunds, and dividends	45,087	49,207	45,191	43,377	41,784	511,973	537,832
Other trust funds and accounts:							
District of Columbia	13,690	18,768	17,562	15,219	11,980	184,778	171,197
Federal employees insurance fund (net)	1,293	2,103	-2,215	-1,421	-571	-3,466	-3,650
Other:							
Legislative Branch	84	78	90	91	74	983	1,090
Funds appropriated to the President	6,045	22,386	10,149	8,405	6,996	143,427	162,284
Independent offices:							
National Capital Housing Authority (net)	84	24	-444	122	652	512	-246
Other	622	973	882	1,555	2,648	11,922	19,193
General Services Administration:							
Trust enterprise funds (net)	3	1	(*)	3	(*)	-4	-2
Other	3	1	2	3	1	112	112
Housing and Home Finance Agency:							
Federal National Mortgage Association:							
Loans for secondary market operations (net)	76,557	-20,291	-19,349	-19,804	-29,620	-94,481	-92,820
Other (net)	23,895	18,693	20,090	21,014	28,385	206,143	8,841

Footnotes at end of table.

TABLE 5.—Trust account and other transactions, monthly for the fiscal year 1956 and totals for 1955 and 1956—Continued
(In thousands of dollars)

Trust accounts, etc. Expenditures (except investments)	Fiscal year 1956						
	July 1955	August 1955	September 1955	October 1955	November 1955	December 1955	January 1956
Other trust funds and accounts —Continued							
Other—Continued							
Agriculture Department:							
Trust enterprise funds (net)	-32	-133	-336	-145	-1,491	-731	-434
Other	2,147	2,637	2,667	2,525	2,594	3,113	2,199
Commerce Department	202	169	163	294	271	277	227
Defense Department:							
Trust enterprise funds (net)							
Military functions	275	160	235	130	43	157	94
Civil functions	1,519	1,244	1,414	1,193	978	989	876
Health, Education, and Welfare Department	7	6	3	3	2	3	4
Interior Department:							
Indian tribal funds	1,778	2,785	7,074	1,780	3,792	7,447	5,021
Other	879	386	423	181	375	183	420
Justice Department (net)	121	-414	-229	-27	-184	-489	-70
Labor Department	-160	29	35	33	34	34	23
State Department	5	1	4	2	-255	-66	212
Treasury Department:							
Trust enterprise funds (net)							
Other	926	269	799	572	-1,024	2,304	2,159
Deposit fund accounts (net): ^a							
District of Columbia	-426	-146	297	-10	-147	82	12
Government sponsored enterprises:							
Sales and redemptions of obligations in market, net sales (-) or redemptions (+)	104	-119,020	-74,974	-335,079	-235,057	214	-160
Investments in public debt securities, net investments (+) or sales (-)	-135,703	-49,399	-40,470	126,873	226,594	-17,445	285,025
Other	143,085	161,403	119,004	202,537	7,532	12,687	-288,890
Indian tribal funds	1,653	-730	321	-2,017	-589	2,253	413
Other	23,184	20,175	-18,219	152,816	-21,697	-58,191	159,672
Total trust and deposit fund expenditures	751,538	726,599	688,110	899,522	667,900	662,646	948,815
Payment of melting losses on gold							
Total expenditures	751,538	726,599	688,110	899,522	667,900	662,646	948,815
Excess of receipts (+), or expenditures (-)	-6,914	+775,074	+33,309	-394,369	+474,202	+173,253	-577,560

Trust accounts, etc. Expenditures (except investments)	Fiscal year 1956					Total fiscal year 1956	Total fiscal year 1955
	February 1956	March 1956	April 1956	May 1956	June 1956		
Other trust funds and accounts —Continued							
Other—Continued							
Agriculture Department:							
Trust enterprise funds (net)	782	2,312	580	522	256	1,149	144
Other	2,399	2,515	2,600	3,846	3,326	32,589	28,938
Commerce Department	316	254	333	221	377	3,104	4,000
Defense Department:							
Trust enterprise funds (net)							
Military functions	186	112	129	86	-3	-3	-1
Civil functions	727	956	1,001	1,476	632	2,258	3,186
Health, Education, and Welfare Department	4	3	6	4	2,843	15,216	13,153
Interior Department:							
Indian tribal funds	6,075	7,256	2,611	4,300	6,398	56,276	41,727
Other	287	531	350	280	279	4,575	3,373
Justice Department (net)	-1,168	-10,635	-2,418	-456	-34,846	-50,815	8,982
Labor Department	35	26	34	24	25	172	178
State Department	76	69	74	68	37	227	942
Treasury Department:							
Trust enterprise funds (net)							
Other	878	934	-51	73	1	21	-384
Deposit fund accounts (net): ^a							
District of Columbia	34	39	-166	-215	6,015	15,185	18,555
Government sponsored enterprises:							
Sales and redemptions of obligations in market, net sales (-) or redemptions (+)	-50,011	-9,615	36,378	-47,442	-37,470	-872,111	-269,162
Investments in public debt securities, net investments (+) or sales (-)	-6,064	-50,897	-28,052	3,190	53,611	334,021	99,214
Other	-3,262	-1,440	2,604	-1,680	3,078	-1,601	-1,601
Indian tribal funds	-1,425	-48,944	144,469	-114,112	-11,758	228,119	57,856
Total trust and deposit fund expenditures	894,832	785,815	956,376	693,779	759,351	9,445,322	8,545,415
Payment of melting losses on gold							
Total expenditures	894,832	785,815	956,376	693,779	759,351	9,445,322	8,545,415
Excess of receipts (+), or expenditures (-)	+114,072	-29,093	-85,191	+910,815	+857,347	+2,219,535	+991,081

Footnotes at end of table.